



LOUISIANA DEPARTMENT OF INSURANCE

**ADDENDUM
TO
DIRECTIVE 180**

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TO: ALL LIFE INSURERS AUTHORIZED TO DO BUSINESS IN LOUISIANA

**RE: Policy Forms and Marketing Practices
Insurable Interest
Clarification of Directive 180**

It has come to the attention of the Department that there is some misunderstanding regarding the scope and purpose of Directive 180.


The Directive was issued because the Department was concerned that insurers might be insuring Louisiana residents under a type of life insurance product popularly referred to as a "janitor policy" and/or "peasant policy." The Directive is not aimed at the traditional uses of life insurance in the business setting, such as, but not limited to:

- "Key man" insurance;
- Insurance to fund buy-sell agreements or deferred compensation arrangements for executives;
- Insurance to fund employee-welfare plans.

The Directive also requires insurers to review their marketing practice and policy forms and to file a report with the Department on its findings. This reporting requirement is limited to only those materials and forms that are used to market "janitor policies." If you are not marketing such policies, the report should so state.

For additional information about this issue, please refer to HB 1692 of the 2004 Regular Session of the Louisiana Legislature.

Regarding the reporting provisions in the Directive, Regulation 78 provides that an extension of time may be granted for good cause. Such requests should be directed to Beth O'Quin or Barry White by e-mail at: boquin@ldi.state.la.us or bwhite@ldi.state.la.us.



J. ROBERT WOOLEY
COMMISSIONER OF INSURANCE